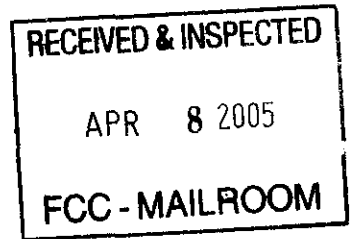


**Before the  
FEDERAL COMMUNICATION COMMISSION  
Washington, D.C. 20554**



In the Matter of	)	
	)	
Request for Review by Colegio Católico	)	
Notre Dame	)	Form 471 Application No. 400866
Decision of the Universal Service	)	
Administrator	)	
Schools and Libraries Universal Service	)	CC Docket No. 02-6
Support Mechanism	)	
	)	

TO: Wireline Competition Bureau

**REQUEST FOR REVIEW**

Pursuant to Sections 54.719(c) and 54.721 of the Federal Communications Commission ("Commission" or "FCC") rules, 47 C.F.R. §§ 54.719(c) and 54.721 (2003), Colegio Católico Notre Dame ("Colegio Notre Dame") hereby appeals the decision of the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company to reduce the requested discount in Funding Year 2004 (07/01/2004 – 06/30/2005) from 90% to 20%.

**I. BACKGROUND**

On February 04, 2004, Colegio Notre Dame filed a FCC Form 471 with the SLD indicating the services for which it was requesting discounts under the schools and libraries universal service support mechanism (the "E-rate program").<sup>1</sup> On Block 4 of its 471 application, Colegio Notre Dame indicated that 770 out of 964 students enrolled during the 2004-2005 academic year qualified for a free or reduced price lunch under the National School Lunch Program ("NSLP") and requested a 90% discount on all of its funding requests.<sup>2</sup> During its

<sup>1</sup> FCC Form 471 No. 400866. Colegio Catolico Notre Dame (Exhibit A).

<sup>2</sup> The specific funding requests number is 1095979 and 1095995

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review of Colegio Notre Dame's application, the SLD requested documentation supporting the eligible discount rate for the school.<sup>3</sup> Specifically, the information request, which was delivered to Colegio Notre Dame, requested the following information:

1. The total number of enrolled.
2. Total number of surveys/applications sent out
3. Number of survey/application returned
4. Total number of students that qualifies for the National School Lunch Program, using the Income Eligibility Guidelines (IEG) of the NSLP, per returned surveys/applications
5. Are the surveys/applications and results kept on file.
6. Provide a sample copy of the FILLED OUT SURVEY/APPLICATION with the child's personal information crossed out for confidentiality.
7. A signed certification that reads: "I certify that only those students who meet the Income Eligibility of the National School Lunch Program have been included in Column 5 of item 10b, Block 4 (Worksheet A) of the Form 471."
8. The information must be in writing on the school letterhead and signed by a school official (such as the Principal, Vice – Principal Superintendent, Director of Food Services).

On October 22, 2004 Colegio Notre Dame provided the information requested to the SLD on school letterhead and signed by the school Principal, Sister Bernardine Fontanez.<sup>4</sup> In its response, Colegio Notre Dame indicated that there were 1045 students enrolled, that 500 surveys/applications were sent out and that 332 surveys/applications were returned. It also indicates from those 332 survey/applications returned 254 students qualifies for the NSLP, that the surveys/applications and its results are kept on file and certified that only the students who meet the IEG of the NSLP had being included in Column 5 item 10b of block 4 (worksheet A) of the Form 471. Colegio Notre Dame also provided a sample copy of the socio-economic survey<sup>5</sup>.

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<sup>3</sup> See letter from Mike Larco, Schools and Libraries Division, Program Integrity Assurance, to Gilberto Pérez, dated (Exhibit B).

<sup>4</sup> See Letter from Colegio Notre Dame, Director Sister Bernardine Fontanez to Schools and Libraries Division, Program Integrity Assurance, dated October 22, 2004 (Exhibit C).

<sup>5</sup> See ESTUDIO SOCIOECONOMICO (Exhibit D)

On February 8, 2005, the SLD issued a funding commitment decision letter reducing the discount rate from 90% to 20%.<sup>6</sup> The SLD provided no explanation on the reason for the percentage reduction.

It is our assumption that the SLD established the basis for the decision of awarding a 20% discount versus the 90% originally requested on the conflicting information provided by Colegio Notre Dame in the submitted SLD Form 471 and the response to the PIA request for information. (Exhibits C) **Colegio Notre Dame erred in the information submitted to the Schools and Libraries Division' PIA with inaccurate information answering the total amount of students enrolled was the PK (81 students included.)**<sup>7</sup>. These numbers are not consistent with the numbers included in the applicant form 471. (Exhibit A) **Exhibit A shows the correct numbers of students for Block 4, Column 4 (964) and also gives the required information to determine the correct number for Block 4, Column 5 (770).**

The survey, which had been provided to the SLD during the PIA review process, asked parents to provide the size of the family, the number of students enrolled in the school, and the household income. Out of the 500 surveys distributed, 332 of the students completed the survey. From the 332 completed surveys, 254 (76.50 %) were determined to be eligible for a free or reduced price lunch under the NSLP in accordance with the Income Eligibility Guidelines of the U.S. Department of Agriculture. Following the SLD's guidelines we can get to the conclusion that in Colegio Notre Dame 964 students, or 84.32 % of its student population, qualified for a free or reduced-price lunch under the NSLP. Using the discount matrix set forth in the FCC rules, a school with 84.32 % of its student population eligible for the national school lunch

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<sup>6</sup> See Letter from Schools and Libraries Division. Universal Service Administrative Company to Colegio Notre Dame, dated February 8., 2005.

<sup>7</sup> Refer to Exhibit A

program qualifies for 90% discount under the schools and libraries universal service support mechanism.

**II. COLEGIO NOTRE DAME CORRECTLY DETERMINED THE PERCENTAGE OF STUDENTS ELIGIBLE FOR A FREE OR REDUCED-PRICE LUNCH UNDER THE NSLP.**

**Colegio Notre Dame filed an SLD Form 471 with accurate information on Block 4, alternately, when, requested to submit sufficient evidence to the PIA to demonstrate the percentage of students eligible for a free or reduced – price lunch under the NSLP (90%), the school erroneously included the PK students (81) as the questions specified.**

Under the Commission's rules, the discount available to a particular school is determined by indicators of poverty and high relative cost of service.<sup>8</sup> First, the level of poverty for schools is measured by the percentage of their student enrollment that is eligible for a free or reduced-price lunch under the NSLP or a federally-approved alternative mechanism outlined in Title I of the Improving America's School Act (IASA).<sup>9</sup> These federally-approved alternative mechanisms include data comparable to the NSLP data that is collected through surveys. As the Commission has acknowledged, surveys are particularly relevant to schools that many not have access to NSLP data, such as private schools.<sup>10</sup> Second, a school's high-cost status is derived from rules that classify it as urban or rural.<sup>11</sup> The Commission's rules provide a matrix reflecting

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<sup>8</sup> 47 C.F.R. § 54.505(b).

<sup>9</sup> 47 C.F.R. § 54.505(b)(1); *Federal-State Joint Board on Universal Service, Report and Order*, CC Docket No. 96-45, FCC 97-157, 12 FCC Rcd 8776, ¶¶ 508-09 (rel. May 8, 1997).

<sup>10</sup> See *School for Language and Communication Development, Order*, 17 FCC Rcd 15166 (rel. Aug. 6, 2002).

<sup>11</sup> 47 C.F.R. §§ 54.505(b)(3)(i), (ii).

both the school's urban or rural status and the percentage of its students who are eligible for the school lunch program to establish its discount rate, ranging from 20 percent to 90 percent.<sup>12</sup> Because NSLP data is unavailable for Colegio Notre Dame, it used a federally-approved alternative mechanism that relies on actual counts of low-income children to determine the level of poverty.

**III. THE SLD ERRONEOUSLY CONCLUDED THAT COLEGIO NOTRE DAME QUALIFIED FOR A 20% DISCOUNT AND FAILED IN NOT REQUESTING ADDITIONAL INFORMATION TO THE SCHOOL AND CLARIFY THE CONFLICTING INFORMATION.**

Colegio Notre Dame submitted to the SLD what it was requested information when was asked to answer: (a) the total number of students (1045 students including 81 PK students), (b) the number of surveys/applications sent out (634), (c) the number of surveys/applications returned (533) (d) the number of students qualified to participate in the NSLP, 430 (based on the SLD projection guidelines), (e) if the survey/applications were kept on file, yes, (f) and (g) certification that only students that meet the IEG of the NSLP have been included in Column 5, item 10b of block 4 (worksheet A) of the Form 471. In addition, Colegio Notre Dame provided a sample copy of the socio-economic survey conducted by the school. No additional documentation supporting the eligible discount rate for the school was requested.

**IV. CONCLUSION**

Colegio Notre Dame provided clear evidence to the SLD that it qualified for a 90% discount under the E-rate program since 254 out of 332 students (76.50% of the student population) were eligible for a free or reduced price lunch under the NSLP. This data was collected through a survey that was conducted in accordance with the SLD's guidelines.

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<sup>12</sup> 47 C.F.R. § 54.505(c).

Furthermore, the school provided the SLD with all the information that was requested during the application review process. Therefore, the SLD erred in its decision to reduce the discount rate from the requested 90% to 20%. Colegio Notre Dame respectfully requests that the Commission reverse the SLD's decision on reducing the discount percentage and grant its application to be funded at a 90% discount.

Respectfully submitted,

**COLEGIO CATOLICO NOTRE DAME**

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Sister Bernardine Fontanez  
Principal, Colegio Católico Notre Dame  
Apt. 967  
Caguas, Puerto Rico 00725  
Phone: 787-743-2385  
Fax: 787-745-2580 / 787-744-6464

March 10, 2005

Exhibit A  
1/2

**Schools and Libraries Universal Service Program**  
**Services Ordered and Certification Form 471**  
**Application Display**

**Block 1: Billed Entity Information**

Applicant's Form Identifier: NOTRE04

471 Application Number: 400866

Cert. Postmark Date: 02/04/2004

Out of Window Letter Date: Not applicable

Funding Year: 07/01/2004 - 06/30/2005

Billed Entity Number: 199857

Form Status: CERTIFIED - In Window

RAL Date: 03/08/2004

Name: Colegio Catolico Notre Dame Elemental

Address: Calle Santiago Final

City: Caguas State: PR Zip: 00726

Contact Name: GILBERTO PEREZ

Address: 85 MUNOZ RIVERA

City: CAGUAS State: PR Zip: 00725

Type of Application: SCHOOL

Ineligible Orgs: N

**Block 3: Impact of Services Ordered in THIS Application**

Number of students to be served: 964

Number of library patrons to be served:

SERVICE DESCRIPTION	BEFORE ORDER	AFTER ORDER
a. (Schools/districts/consortia only) Telephone service: How many classrooms had phone service before and after your order?	0	0
b. High-bandwidth voice/data/video service: How many buildings served before and after your order?	1	1
c. High-bandwidth voice/data/video service: Highest speed to a building before and after your order?	512	256
d. Dial-up Internet connections: How many before and after your order?	0	0
e. Dial-up Internet connections: Highest speed before and after your order?	0	0
f. Direct connections to the Internet: How many before and after your order?	1	1
g. Direct connections to the Internet: Highest speed before and after your order?	512	256
h. Internet access(for schools): How many rooms have Internet access before and after your order?	2	2
j. Internet Access: How many computers (or other devices) with Internet access before and after your order?	42	42

**Block 4: Worksheets****Student Count: 964****Worksheet A No: 545701****Weighted Product (Sum. Column 8): 867.6****Shared Discount: N/A**

1. School Name: Colegio Catolico Notre Dame Elemental  
2. Entity Number: 199857 3. Rural/Urban: Urban  
4. Student Count: 964 5. NSLP Students: 770 6. NSLP Students/Students: 79.875%  
7. Discount: 90% 8. Weighted Product: 867.6

**Block 5: Discount Funding Request(s)****FRN: 1095976****FCDL Date:**

11. Category of Service: Telecommunications Service  
12. 470 Application Number: 377780000473020  
13. SPIN: 143012431  
14. Service Provider Name: Puerto Rico Telephone Company, Inc.  
15. Contract Number: T  
16. Billing Account Number: 787-743-2385  
17. Allowable Contract Date: 12/23/2003  
18. Contract Award Date:  
19a. Service Start Date: 07/01/2004 19b. Service End Date: 06/30/2005  
20. Contract Expiration Date:  
21. Attachment #: 1  
22. Block 4 Entity Number: 199857  
23a. Monthly Charges: \$417.09  
23b. Ineligible monthly amt.: \$0.00  
23c. Eligible monthly amt.: \$417.09  
23d. Number of months of service: 12  
23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d): \$5,005.08  
23f. Annual non-recurring (one-time) charges: \$0.00  
23g. Ineligible non-recurring amt.: \$0.00  
23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g): \$0.00  
23i. Total program year pre-discount amount ( 23e + 23h): \$5,005.08  
23j. % discount (from Block 4): 90  
23k. Funding Commitment Request ( 23i x 23j): \$4,504.57

**FRN: 1095979****FCDL Date:**

11. Category of Service: Internet Access  
12. 470 Application Number: 377780000473020  
13. SPIN: 143022659  
14. Service Provider Name: A New Vision in Educational Services and Materials (NEVESEM)  
15. Contract Number: MTM  
16. Billing Account Number: CAT02001



17. Allowable Contract Date: 12/23/2003 18. Contract Award Date:  
19a. Service Start Date: 07/01/2004 19b. Service End Date: 06/30/2005  
20. Contract Expiration Date:  
21. Attachment #: 2 22. Block 4 Entity Number: 199857  
23a. Monthly Charges: \$895.00 23b. Ineligible monthly amt.: \$.00  
23c. Eligible monthly amt.: \$895.00 23d. Number of months of service: 12  
23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d): \$10,740.00  
23f. Annual non-recurring (one-time) charges: \$6,020.00 23g. Ineligible non-recurring amt.: \$.00  
23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g): \$6,020.00  
23i. Total program year pre-discount amount ( 23e + 23h): \$16,760.00  
23j. % discount (from Block 4): 90  
23k. Funding Commitment Request ( 23i x 23j): \$15,084.00

FRN: 1095995 FCDL Date:

11. Category of Service: Internet Access 12. 470 Application Number: 377780000473020  
13. SPIN: 143022659 14. Service Provider Name: A New Vision in Educational Services and Materials (NEVESEM)  
15. Contract Number: MTM 16. Billing Account Number: CAT02001  
17. Allowable Contract Date: 12/23/2003 18. Contract Award Date:  
19a. Service Start Date: 07/01/2004 19b. Service End Date: 06/30/2005  
20. Contract Expiration Date:  
21. Attachment #: 2 22. Block 4 Entity Number: 199857  
23a. Monthly Charges: \$158.00 23b. Ineligible monthly amt.: \$.00  
23c. Eligible monthly amt.: \$158.00 23d. Number of months of service: 12  
23e. Annual pre-discount amount for eligible recurring charges ( 23c x 23d): \$1,896.00  
23f. Annual non-recurring (one-time) charges: \$.00 23g. Ineligible non-recurring amt.: \$.00  
23h. Annual pre-discount amount for eligible non-recurring charges ( 23f - 23g): \$0.00  
23i. Total program year pre-discount amount ( 23e + 23h): \$1,896.00  
23j. % discount (from Block 4): 90  
23k. Funding Commitment Request ( 23i x 23j): \$1,706.40

#### Block 6: Certifications and Signature

24a. Schools: Y  
24b. Libraries or Library Consortia: N  
  
26a. Individual Technology Plan: N  
26b. Higher-Level Technology Plan(s): Y  
26c. No Technology Plan Needed:

27a. Approved Technology Plan(s): N  
27b. State Approved Technology Plan: Y  
27c. No Technology Plan Needed:

10/8/2004 Time: 10:21 AM EST TO: 1-7672000040

NECA

Page: 002-000

**USAC**

Universal Service Administrative  
Company  
Schools & Libraries  
Division

Date: October 1, 2004

*Exhibit B*

Dear Mr. Perez

Applicant Name: Colegio Catolico Notre Dame

Contact Phone Number 787 743-1171

Application Number(s) 400866

*1/2*

We are in the process of reviewing all Form 471 applications for schools and libraries discounts to ensure that they are in compliance with the rules of the federal universal service program. I am currently in the process of reviewing your Funding Year 2003 Form 471 Application. To complete my review I need some additional information.

1-) Based upon review of your Form 471 application, we were not able to validate your requested discount percentage of 90% for Colegio Catolico Notre Dame Elemental entity # 199857. If you choose to validate your original requested discount percentage of 80%, then please provide the appropriate documentation if one of the following acceptable methods were used:

a-If the school participates in a National School Lunch Program (NSLP), please provide us a signed copy (preferably by the Principal, Vice-Principal, Superintendent, or Director of Food Services) of the Reimbursement Claim Form that the school sends to the state each month. Make sure that the following 3 items are identified:

- 1) The Entity name
- 2) The total number of students enrolled at the entity
- 3) The total number of students eligible for Free/Reduced Lunch Program for the entity

If the school district fills out an aggregate form for the school district, provide a signed letter from a school official (preferably the Superintendent) that lists the Free/Reduced information for each school in the district.

b-If the discount percentage was determined by information obtained from a survey/application, please provide the following information:

- 1) Total number of students enrolled
- 2) Total number of surveys/applications sent out
- 3) Number of surveys/applications returned

- 4) Total number of students qualified for NSLP per the returned surveys/applications
- 5) Are the surveys/applications and results kept on file.
- 6) Provide a sample copy of a **FILLED OUT SURVEY/APPLICATION** with the child's personal information crossed out for confidentiality.
- 7) A signed certification that reads: "I certify that only those students who meet the Income Eligibility Guidelines of the National School Lunch Program have been included in Column 5 of Item 10b, of Block 4 (Worksheet A) of the Form 471."
- 8) This information must be in writing on school letterhead and signed by a school official (such as the Principal, Vice-Principal, Superintendent, Director of Food Services).

2/2

e. If the discount was determined using a different method than what was identified above, please indicate the method that was used and provide all relevant data.

Any documentation provided should clearly identify any ineligible charges that were cost allocated out of your request. If you are unable to justify the charges requested on your Form 471, the request may be reduced or denied.

Please fax or e-mail the requested information to my attention. If you have any questions please feel free to contact me.

It is important that we receive all of the information requested so PLA can complete its review. If you are unable to provide the requested information because your school has closed or will shortly close for summer break, please let me know when you will be available to respond to these questions. Failure to do so may result in a reduction or denial of funding.

If we do not receive the information within seven calendar days, your application will be reviewed using the information currently on file. If you need additional time to prepare your response, please let me know as soon as possible.

Thank you for cooperation and continued support of the Universal Service Program.

Sincerely,  
Mike Larco  
Program Integrity Assurance  
Universal Service Administrative Company  
Schools & Library Division  
Voice: 973 560-4409  
Dsktp Fax: 973 599-6579



Padres Redentoristas

*Colegio Católico Notre Dame*  
*Nivel Elemental*

Apartado 967  
Teléfono 787-743-2385  
Caguas, P.R. 00726

*Exhibit C*

*Hermanas de Notre Dame*

To: Mike Larco  
PIA Reviewer  
SLD  
Via Fax: 973-599-6579

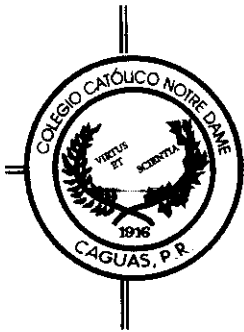
From: Sister Bernardine Fontanez  
Director  
Colegio Catolico Notre Dame

Date: October 22, 2004

Subject: Application 400866

The percentage requested was determined by information obtained from a survey. Included are the responses and supporting documentation needed to validate the 90% originally requested. Based on the survey demonstrates that the 77% of the surveyed students do qualify for NSLP.

- 1) Total number of students enrolled - 1045
- 2) Total number of surveys sent out - 500
- 3) Number of survey returned - 332
- 4) Total number of students qualified for NSLP per the returned surveys. - 254
- 5) Are the surveys and result kept on file - YES
- 6) Filled out surveys - Annex 1
- 7) Signed Certification - Annex 2



# *Colegio Católico Notre Dame*

## *Nivel Elemental*

*Apartado 967  
Teléfono 787-743-2385  
Caguas, P.R. 00726*

*Padres Redentoristas*

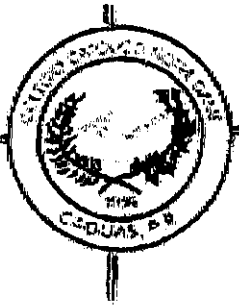
*Hermanas de Notre Dame*

### **Certification**

"I certify that only those students who meet the Income Eligibility Guidelines of the National School Lunch Program have been included in column 5 of Item 10b, of Block 4 (worksheet A) of the Form 471."

**Director**  
***Colegio Católico Notre Dame Elemental***

October 22, 2004  
Date



Padres Redentoristas

# Colegio Católico Notre Dame

## Nivel Elemental

Apartado 967  
Teléfono 787-743-2385  
Caguas, P.R. 00726

Exhibit D

Hermanas de Notre Dame

El nuevo procedimiento para determinar el por ciento de elegibilidad de los Colegios para efectos de la propuesta E-Rate y otras propuestas federales será la siguiente forma que llenaran para poder establecer el nivel económico de cada una de las familias de nuestro Colegio. Por tal motivo se incluyó una tabla, esta incluye el nivel de ingresos permitidos. Agradeceremos que llene y devuelva el estudio.

Tamaño familiar	Ingreso máximo familiar*			Total estudiantes
	Anual	Mensual	Semanal	
2	22,422	1,869	432	
3	28,231	2,353	543	
4	34,040	2,837	655	
5	39,849	3,321	767	
6	45,658	3,805	879	
7	51,467	4,289	890	
8	57,276	4,773	1,102	
Por cada miembro adicional añadir...	5,809	485	112	

\* Si la familia tiene más de un estudiante en la escuela, contar 1 familia por cada estudiante.

Es requisito que conteste el estudio por lo menos el 50% de los estudiantes matriculados en el Colegio, aunque no todos estén bajo nivel de pobreza.

He revisado toda la información de este cuestionario y entiendo que es correcta.

Firma

Fecha